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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS  
5 AND INTERFERENCES  
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8 *Ex parte* KEVIN FOLEY and KIM BANG  
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11 Appeal 2006-2896  
12 Application 09/412,408  
13 Technology Center 3600  
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16 Decided: February 14, 2008  
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19 Before TERRY J. OWENS, JENNIFER D. BAHR<sup>1</sup>, and ANTON W.  
20 FETTING, *Administrative Patent Judges*.  
21 FETTING, *Administrative Patent Judge*.

22  
23 DECISION ON REQUEST FOR REHEARING

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<sup>1</sup> The appeal was originally heard by Administrative Patent Judges Owens, Levy, and Fetting. Subsequent to the decision mailed February 9, 2007, Administrative Patent Judge Levy retired. The panel was changed to include Administrative Patent Judge Bahr (replacing Judge Levy). *See In re Bose Corp.*, 772 F.2d 866, 869-70 (Fed. Cir. 1985).

The Appellants filed a REQUEST FOR REHEARING PURSUANT TO 37 C.F.R. § 41.52 on April 9, 2007.

The Examiner rejected claims 1 through 6 under 35 U.S.C. § 112, first paragraph; claims 1 through 6 under 35 U.S.C. § 112, second paragraph; claims 1 through 15 under 35 U.S.C. § 103(a) as unpatentable over Silverman and Tilfors; claims 16 through 19 and 26 through 29 under 35 U.S.C. § 103 as obvious over Silverman; claims 20 through 23 under 35 U.S.C. § 103(a) as obvious over Silverman and McCausland; and claims 24 and 25 under 35 U.S.C. § 103(a) as obvious over Silverman and Ferstenberg.

We affirmed these rejections in our Decision, mailed February 9, 2007. The Appellants seek reconsideration of the decisions to affirm the rejections under 35 U.S.C. § 103(a). The Appellants make no mention of the rejections under 35 U.S.C. § 112.

We GRANT the REQUEST FOR REHEARING.

## ISSUES

The issue pertinent to this request is whether the Appellants have sustained their burden of showing that we misapprehended the art or the claims and thus erred in sustaining the rejections of claims. 37 C.F.R. 41.52(a).

The pertinent issue turns on whether we misapprehended the needs of the system in Silverman, or the automation that Silverman described.

ANALYSIS

*Claims 1-15*

We found in our decision that claims 1-15 were unpatentable under 35 U.S.C. § 103(a) as obvious over Silverman and Tilfors. (Decision 17).

We found in our decision that claims 16 through 19 and 26 through 29 were unpatentable under 35 U.S.C. § 103 as obvious over Silverman; claims 20 through 23 were unpatentable under 35 U.S.C. § 103(a) as obvious over Silverman and McCausland; and claims 24 and 25 were unpatentable under 35 U.S.C. § 103(a) as obvious over Silverman and Ferstenberg. (Decision 17).

The Appellants argue that the Board misconstrued the Appellants' arguments. (Request 3:First full ¶).

The Appellants contend that our analysis failed to apprehend that allowing an exchange, as in Tilfors, to automatically execute a trade outside the Silverman system would deprive the users of Silverman of their ability to prequalify all parties. (Request 3:Bottom ¶).

We begin by pointing out that claim 1, from which claims 2-15 depend, requires that a first party, offering to buy or sell over the system a number of shares selected by the first party, of a stock at a price selected by the first party, from or to one or more counterparties selected by the first party.

In our decision, in response to the Appellants' contention that applying Tilfors to Silverman would match a user with a non-user, depriving the users of their prequalification capabilities, we found that any party using

1 Silverman's system would be a user, and that the choice of a particular party  
2 was simply a routine business decision (Decision 7-8).

3 In light of the Appellants' argument in the Request, it becomes  
4 apparent that the analysis in the Decision created a dilemma. The capacity  
5 to select parties is incompatible with the capacity to match an order with  
6 anyone that an outside exchange might select. Either it is unnecessary to  
7 prequalify the parties, as in the case with parties chosen by an exchange in  
8 Tilfors, in which case the claim 1 element of party selection would not be  
9 met, or it is necessary to prequalify parties, which would then preclude the  
10 use of an exchange as in Tilfors. Thus, we conclude that the original  
11 analysis was in error and the Appellants have met their burden of showing  
12 error in the Examiner's rejection of claims 1-15 under 35 U.S.C. § 103(a) as  
13 obvious over Silverman and Tilfors. Because this issue is dispositive, the  
14 remaining contentions regarding claims 1-15 are moot.

15 *Claims 16-29*

16 The Appellants argue that the Board misapprehended that although  
17 claim 16 was in Jepson form, it was still necessary to reach a finding as to  
18 the automatic performance of order matching in the preamble, in addition to  
19 order execution. (Request 7).

20 The Appellants contend that if the preamble can be read to permit  
21 negotiation taking place some time between automatic matching and  
22 automatic execution, then the preamble can encompass the improvement of  
23 providing an IOI related to an automatically matchable and automatically  
24 executable order (Request 7).

1           In our decision, we found that the term “automatically” was  
2           sufficiently broad to read on execution of a trade (Decision 11). However,  
3           we did not address the issue of whether Silverman anticipated automatically  
4           matching orders as well as executing trades, and the automation between  
5           those occurrences.

6           We therefore make findings as to these issues. We find that  
7           Silverman states as follows.

8                     In the embodiments of the negotiated matching system  
9                     according to the present invention as described above, matches are  
10                    identified by the system based on ranking, price and quantity as input  
11                    by each user. However, the negotiated matching system according to  
12                    the present invention is capable of accommodating types of  
13                    transactions that have less specific parameters. For example, the  
14                    system may be used to sell real estate, wherein a potential seller enters  
15                    the location, square footage, and price range of his house. In response,  
16                    the system will provide potential counterparties who are interested in  
17                    houses having those characteristics and are unilaterally or bilaterally  
18                    ranked as acceptable counterparties.

19  
20                    In other words, the negotiated matching system according to the  
21                    present invention may accommodate a range of markets from those in  
22                    which highly specified instruments are traded to those in which  
23                    loosely or subjectively defined instruments are traded. Known trading  
24                    systems cannot accommodate the subjectively defined instruments  
25                    because the known systems do not provide the necessary personalized  
26                    negotiation opportunity as does the present invention.

27           Silverman 13:31-58. Thus, Silverman suggests that its capacity for handling  
28           loosely or subjectively defined instruments may be added on to known  
29           trading systems. Silverman also states that matches are identified by the  
30           system based on ranking, price and quantity, which is no more than known  
31           trading systems do with orders ranked by time of submission and deviation  
32           from market price. Since known trading systems match orders and execute

1 trades automatically in succession, adding Silverman's capacity to them  
2 would not diminish this capability of known trading systems. Thus, we find  
3 the Appellants have not met their burden of showing error in a rejection  
4 under obviousness over Silverman.

5 However, we recognize that this analysis of obviousness differs from  
6 that provided by the Examiner, and that the Decision applied the Examiner's  
7 analysis. Further, we have herein made findings of fact beyond those in the  
8 Decision. Therefore, to provide the Appellants an opportunity to respond,  
9 we denominate the rejections of claim 16 and of the claims which depend  
10 from claim 16 as new grounds of rejection pursuant to 37 C.F.R. § 41.50(b).

11 For the above reasons, the Appellants' request for rehearing is granted  
12 as to the rejection of claims 1 through 15 under 35 U.S.C. § 103(a) as  
13 obvious over Silverman and Tilfors. The Appellants' request for rehearing  
14 as to the rejections of claim 16-29 is granted to the extent that we have  
15 supplemented the findings as to the rejections and denominated the  
16 rejections of those claims as new grounds. The Appellants made no request  
17 as to the rejections of claims 1-6 under 35 U.S.C. § 112, first and second  
18 paragraphs, and so the status of those rejections is unchanged.

## 19 DECISION

20 To summarize, our decision is as follows:

- 21 • We have considered the REQUEST FOR REHEARING
- 22 • We GRANT the request in that we change our affirmation of the  
23 Examiner's rejection of claims 1-15 under 35 U.S.C. § 103(a) as obvious  
24 over Silverman and Tilfors to a reversal of that rejection and modify our

Decision with respect to the affirmance of the rejections of claims 16-29, denominating our affirmance as new grounds of rejection.

- The rejection of claims 1 through 6 under 35 U.S.C. § 112, first paragraph, as lacking a supporting written description within the original disclosure remains sustained.
- The rejection of claims 1 through 6 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention remains sustained.

- *An amendment changing the words “neither” and “nor” to “either” and “or” in claim 1 would overcome the two rejections under 35 U.S.C. § 112*

- 37 C.F.R. § 41.50(c) states that the opinion of the Board may include an explicit statement of how a claim on appeal may be amended to overcome a specific rejection and the appellant has the right to amend in conformity therewith. An amendment in conformity with such statement will overcome the specific rejection.

- The rejection of claims 1 through 15 under 35 U.S.C. § 103(a) as obvious over Silverman and Tilfors is not sustained.
- The rejection of claims 16 through 19 and 26 through 29 under 35 U.S.C. § 103(a) as obvious over Silverman remains sustained.
- The rejection of claims 20 through 23 under 35 U.S.C. § 103(a) as obvious over Silverman and McCausland remains sustained.



- The rejection of claims 24 and 25 under 35 U.S.C. § 103(a) as obvious over Silverman and Ferstenberg remains sustained.
- The rejections of claims 16 through 29 under 35 U.S.C. § 103(a) are denominated as new grounds of rejection.

37 C.F.R. § 41.50(b) provides that, “[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review.”

Regarding the new grounds of rejection, Appellant must, **WITHIN TWO MONTHS FROM THE DATE OF THE DECISION**, exercise one of the following options with respect to the new ground of rejection, in order to avoid termination of the appeal as to the rejected claims:

(1) Reopen prosecution. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner. . . ; or

(2) Request rehearing. Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

**REHEARING GRANTED; AFFIRMED-IN-PART; 37 CFR § 41.50(b)**

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